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Poultry Programs

Market News Branch

Beef Panic in Europe

Increased incidences of BSE in France and other countries triggered new consumer fears in the safety of beef. In November Spain and Germany reported their first cases of BSE and a severe blow to consumer confidence occurred when 8 tons of potentially BSE-infected French beef went on sale in French supermarkets.

To restore consumer confidence, the European Commission (EC) called for a temporary ban on the feeding of any meat and bonemeal (MBM) to all farmyard animals, similar to anti-BSE measures already taken in Britain. Currently the ban only covers feed for cattle. MBM can be replaced in feeding ratios by plant proteins.

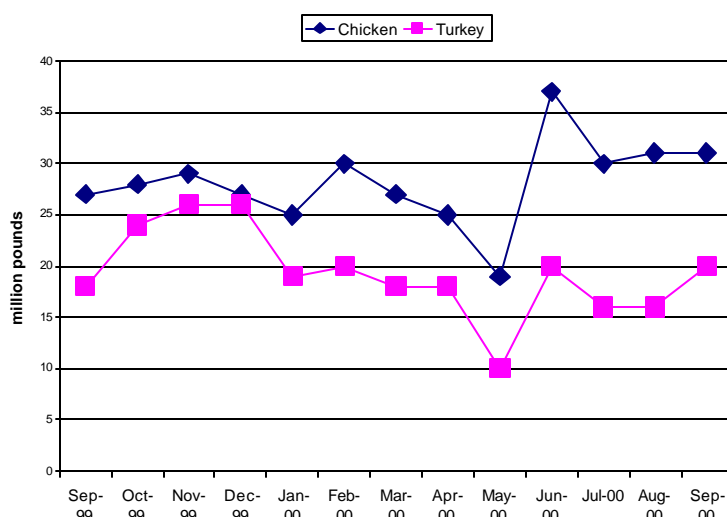
Germany immediately banned the sale of beef from cows over 30 months old unless they have been tested for BSE, and banned MBM in animal feed for pigs and poultry, as well as cattle and sheep. France extended the ban on feeding MBM to include all livestock and pets.

France is the predominant beef producer in the EU, having 26 percent of the EU herd. The drop in consumption in France since the start of the crisis mid-October 2000 is estimated at about 40 percent. In France, some fast food restaurants increased marketing for non-beef products as hamburger sales slipped, and some restaurants removed beef from the menu. French schools also stopped serving beef.

Beef consumption in Italy has slipped by 75 percent in recent months. Wholesalers from Spain to Germany reported a drop of about 50 percent in beef sales. Customers at a Madrid market crowded around the chicken and fish stands, ignoring beef vendors.

Various Sources

U.S. Exports of Chicken and Turkey to Mexico



Source: USDA/Economic Research Service

JAPANESE FROZEN BROILER IMPORTS (IN TONS)

	United States	China	Brazil	Thailand	Total
Month					
1999					
June	8,315	18,614	8,198	11,380	46,507
July	6,340	18,928	10,378	10,072	45,718
August	9,555	17,025	7,831	10,590	45,001
*Total	67,952	133,412	57,885	84,225	343,474
2000					
June	8,225	19,367	7,966	11,168	46,726
July	9,460	18,377	10,155	10,217	48,209
August	8,708	18,343	14,610	10,365	52,026
*Total	58,942	145,508	78,334	84,328	367,112

*Year to Date

Source: ALIC Monthly statistics

Poultry Outlook

Broiler exports in September were estimated at 445 million pounds, bringing third quarter exports to 1.382 billion pounds, an increase of 10 percent from the previous year. Third quarter 2000 shipments were totally commercial compared to third and fourth quarter 1999 shipments which contained food aid shipments to Russia. For 2000, total broiler exports are forecast at 5.4 billion pounds, 10 percent higher than in 1999. Exports to Russia continue to rebound strongly. Over the first 9 months of 2000, shipments to Russia (and the Baltic countries) have totaled 1.311 billion pounds, 12 percent higher than a year earlier. Shipments to Hong Kong/China (our second largest market) have totaled 1.2 billion, an increase of 22 percent. This increase comes on top of a 25 percent increase in shipments to Hong Kong/China in 1999.

Turkey exports for 2000 are forecast at 416 million pounds, a 10 percent increase from the previous year. In September, turkey exports totaled 41 million pounds, up 19 percent from a year ago. Turkey exports to Mexico, Russia, and China/Hong Kong have all increased so far in 2000. However, exports to Mexico (our largest market) may slow in the fourth quarter, as Mexican pork producers are attempting to have the government collect higher duties on over-tariff rate quota turkey imports. While Mexico, according to trade agreements, has been able to assess higher duties on over-tariff imports of turkey, they have chosen not to apply these higher duties in the past. Mexican meat producers have argued low-cost turkey meat imports were needed for processed meat (mostly sausage) production.

Table egg production for 2000 is estimated at 5.96 billion dozen, up 2.1 percent from the previous year. Shell egg exports for January through September totaled 68.257 million dozen in 2000, compared to 61.635 million dozen in 1999. The higher table egg production combined with only a small increase in the number of egg exports means that more eggs will be available for domestic egg consumption.

Source: USDA/Economic Research Service.

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending Nov 25, 2000

Year-To-Date

	2000	1999 /1	2000	1999
Liquid	142	247	6,986	12,248
Frozen	41	0	239	6
Dried	0	0	503	609
Total	183	247	7,728	12,863

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending Nov 25, 2000

Year-To-Date

	2000	1999 /1	2000	1999
Liquid	69	14	4,629	4,238
Frozen	20	0	829	575
Dried	0	0	820	210
Total	89	14	6,278	5,023

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending Nov 25, 2000

Year-To-Date

	2000	1999 /1	2000	1999
Jumbo	0	49	2,191	1,313
Extra Large	1,050	132	47,646	40,599
Large	3,530	4,142	133,677	141,768
Medium	1,260	240	35,055	47,888
Ungraded	6,000	10,770	374,834	592,413
Misc	0	900	11,837	11,622
Total	11,840	16,233	605,240	835,603

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

LIVE POULTRY SLTRD UNDER INSPECTION

W/E 25-Nov-00

(PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	1,134	944	2,078
LAST WEEK	1,858	1,411	3,269
SAME WEEK YR AGO	1,364	846	2,210
TO-DATE/2000	88,575	67,886	156,461
TO-DATE/1999	96,629	66,307	162,936

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	425	0	425
LAST WEEK	220	0	220
SAME WEEK YR AGO	332	7	339
TO-DATE/2000	21,072	365	21,437
TO-DATE/1999	21,487	274	21,761

SOURCE: AGRICULTURE CANADA, POULTRY DEVELOPMENT DIVISION

**TOTAL U.S. FOWL SLAUGHTERED
IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	1,559	944	2,503
LAST WEEK	2,078	1,411	3,489
SAME WEEK YR AGO	1,696	853	2,549
TO-DATE/2000	109,647	68,251	177,898
TO-DATE/1999	118,116	66,581	184,697

CENTRAL REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 01-DEC-00**CHICKEN PRICES**

	-----FROZEN-----	-----FRESH-----
FAT	FOB DELIVERED	FOB DELIVERED
CONTENT	DOCK	DOCK
15% OR LESS		
RANGE	-	-
WTD AVERAGE		
0 pounds, this includes 0 pounds for export shipment.		

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS			
RANGE	20.00	-	-
WTD AVERAGE	20.00		
40,800 pounds, this includes 0 pounds for export shipment.			
15-20%			
RANGE	15.50-20.00	17.50-20.00	10.50-14.00 13.00-14.25
WTD AVERAGE	19.15	18.88	11.36 13.63
1,825,600 pounds, this includes 928,000 pounds for export shipment.			
20% OR MORE			
RANGE	-	-	-
WTD AVERAGE			
0 pounds, this includes 0 pounds for export shipment.			

* INCLUDES THE FOLLOWING STATES: AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 01-DEC-00**CHICKEN PRICES**

	-----FROZEN-----	-----FRESH-----
FAT	FOB DELIVERED	FOB DELIVERED
CONTENT	DOCK	DOCK
15% OR LESS		
RANGE	20.00	-
WTD AVERAGE	20.00	
240,000 pounds, this includes 0 pounds for export shipment.		

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS			
RANGE	16.25-20.00	-	17.00 16.00
WTD AVERAGE	16.59		17.00 16.00
948,000 pounds, this includes 348,000 pounds for export shipment.			
15-20%			
RANGE	13.50-20.25	22.00	12.00-15.00 12.75-13.00
WTD AVERAGE	17.00	22.00	13.60 12.85
1,951,000 pounds, this includes 630,000 pounds for export shipment.			
20% OR MORE			
RANGE	-	-	- 13.00
WTD AVERAGE			13.00
160,000 pounds, this includes 0 pounds for export shipment.			
INCLUDES THE FOLLOWING STATES: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV			

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT

FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS

DECEMBER 01, 2000

Undertone steady to barely steady on tom breast meat and destrapped tenderloins, thigh meat steady at best. Demand light to fair on breast meat, tenderloins and thigh meat with offerings in a full range. The 15-20% mechanically separated turkey (MST) undertone was mixed, but mostly steady. Four containers frozen -60 days age MST traded at 20 cents delivered West for export. Demand ranged from slow in the West on MST to fair to good for the balance of the country. Offerings in a full range with the Midwest and East the best balanced. Domestic trading for December shipments centered on fair volumes of frozen destrapped tenderloins, Fresh MST and on a moderately light volume of fresh tom breast meat. Export trading centered on a heavy volume of frozen MST for December deliveries and on a light volume of tom drums.

FRIDAY, DECEMBER 01, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	25.00		25.00	208	25.29	728
WINGS FULL-CUT - TOMS	20.00-24.50		21.50	156	23.93	508
WINGS, V-TYPE, TOM	25.50		25.50	108	25.72	472
TAILS		W	22.67	120	22.67	120
MECHANICALLY SEPARATED 2/	22.00-25.00		23.73	848	24.18	1,396
THIGH MEAT - FROZEN	71.00		71.00	80	72.57	304

THURSDAY, NOVEMBER 30, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	24.00		24.00	188
WINGS FULL-CUT - TOMS		W	25.00	92
WINGS, V-TYPE, TOM		W	25.79	364
TAILS		W	22.67	120
MECHANICALLY SEPARATED 2/	26.00		26.00	104
THIGH MEAT - FROZEN	72.50-73.00		72.64	144

WEDNESDAY, NOVEMBER 29, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	25.50-28.00		25.86	280
WINGS FULL-CUT - TOMS	25.00		25.00	92
WINGS, V-TYPE, TOM	25.50-26.00		25.79	364
TAILS	21.00-24.00		22.67	120
MECHANICALLY SEPARATED 2/	22.00		22.00	80
THIGH MEAT - FROZEN	74.00		74.00	80

TUESDAY, NOVEMBER 28, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	28.00		28.00	52
WINGS FULL-CUT - TOMS	25.00		25.00	260
WINGS, V-TYPE, TOM		F	25.00	156
TAILS		W	26.00	240
MECHANICALLY SEPARATED 2/		M	25.21	364
THIGH MEAT - FROZEN		F	75.00	120

MONDAY, NOVEMBER 27, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	27.44	352
WINGS FULL-CUT - TOMS		T	25.50	40
WINGS, V-TYPE, TOM		F	25.00	156
TAILS		W	26.00	240
MECHANICALLY SEPARATED 2/	25.00-25.50		25.21	364
THIGH MEAT - FROZEN		F	75.00	120

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY 2/
Product contains 15-20% fat with skin added.

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